DEF 12-5 ISR R

4>

INCOMING TELEGRAM *Department of State*

818

87

SECRET

Action SS

Info

NNNNVV FHE371VV HPA502
PP RUEHCR RUEKDA
DE RUFHPA 1407 3031845
ZNY SSSSS
P R 301835Z
FM AMEMBASSY PARIS
TO RUEHCR/SECSTATE WASHDC PRIORITY POLTO 639
INFO RUEKDA/OSD WASHDC
STATE GRNC
BT
S E C R E T OCTOBER 30

25024

1965 OCT 30 PM 3 24

PARIS-POLTO-639 10-30-65

LIMDIS

OSD FOR ISA DASD (MR. HOOPES)

REF: DEFTO 5202

IN REFERENCE MESSAGE USRO EXPERTS, ADDRESSING PROBLEM OF POSSIBLE ALTERNATIVES TO ISRAELI PURCHASE FRENCH AIRCRAFT, WITHIN POLICY FRAMEWORK ESTABLISHED IN RECENT MESSAGES, MAKE RECOMMENDATIONS IN WHICH WE BELIEVE IMPORTANT NEW OPTIONS ARE TABLED.

WE CAME INTO PICTURE LATE, HOWEVER, AND POSSIBLY NOT FULLY AWARE HIGHER POLICY CONSIDERATIONS AT STAKE. IT DOES LOOK FROM HERE AS

PAGE 2 RUFHPA 1407 S E C R E T
THOUGH WE ARE ON BOTH SIDES OF ARMS RACE. THIS DEPARTMENT'S PROBLEM, NOT OURS. DO WISH STRESS, HOWEVER, IMPORTANCE WE ATTACH TO FULLEST EXPLORATION IN BROAD POLICY FRAMEWORK OF IMPLICATIONS ANY RECOMMENDATIONS RECEIVED (INCLUDING OUR OWN) CONCERNING ISRAELI AIRCRAFT PURCHASES AS RELATED TO COMPLEX US-UK-FRENCH-MIDDLE EAST RELATIONS. GP-1. CLEVELAND
BT

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 1/18/84
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☒ RELEASABLE☒
RELEASE DENIED☐
PA or FOI EXEMPTIONS

SECRET

D

BRITISH PRICE WAS 41 MILLION POUNDS OR SLIGHTLY HIGHER THAN WHAT HE UNDERSTOOD TO BE FRENCH OFFER. DID NOT DISCUSS TERMS AND I REFRAINED FROM ASKING QUESTIONS WHICH MIGHT IMPLY KNOWLEDGE OF UK PROPOSAL.

4. AMBASSADOR DID SAY KHAMMASH HAD WELCOMED OFFER WITH COMMENT HE LIKED TO HAVE AT LEAST TWO ALTERNATIVES AND

PAGE 3 RUQMKG 04A S E C R E T

5. IN CONTRAST BRITISH AMBASSADOR'S STATEMENT RE PRICE, KHAMMASH CONFIRMED DATA OCT 31 THAT FINAL FRENCH OFFER WAS 50,000 POUNDS PER AIRCRAFT FINANCED OVER 9 YEARS AT 6.25 PERCENT WHILE BRITISH OFFER WAS 775,000 POUNDS PER AIRCRAFT FINANCED OVER 9 1/2 YEARS AT 5.5 PERCENT.

6. COMMENT: NEITHER BRITISH OR FRENCH OFFER COMES REMOTELY CLOSE TO MEETING UAC FUNDING AND WE DO NOT SEE HOW EITHER CAN PROVIDE SOLUTION FOR SUPERSONIC ISSUE. GP-3. BARNES